Introduction

Impact of Organization Culture on employee's satisfaction in Banking Sector

Organizational culture has been an important theme in management and business research. Banks being significant player in the Indian economy are no exception to it. The Indian Banking sector is rapidly globalizing, making it important for Indian banks to ensure their practices match those of the best banks in the world. The role of banks is more challenging in a developing economy than in a developed economy. The Bank had to face a dramatic cultural change with these challenges. Presently, major task of the banks is to mobilize the savings of the people; create, spread the banking habit, and mobilize the country resources. An equally important function is to effectively utilize its human resource. Studies show that organizational culture has a significant influence on employee performance. The Bank had to face a dramatic cultural change with the challenges thrown by the private sector banks which provided customer oriented services while most of the staff in SBI was not aware of the fact that the bank was losing its hold amongst the upper end market. This study attempts to look at the culture in State Bank of India and ascertain their prevailing culture and comparing the performance due to it. According to the Society for Human Resource Management (SHRM) Change Management Survey report "the top two obstacles encountered during the major organizational changes are communication breakdown and employee's resistance."Biggest challenge for the management was to convey its idea of transformation to each and every employee of the organization.

- Organization culture
- Banking Industry
- Employee satisfaction

Conceptual framework of Organizational Culture

Organizational culture is a wider and deeper concept, something that an organization 'is' rather than what it 'has' (according to Buchanan and Huczynski). It comprises the attitudes, experiences, beliefs and values of an organization. It has been defined as "the specific collection of values and norms that are shared by people and groups in an organization and that control the way they interact with each other and with stakeholders outside the organization. Organizational values are beliefs and ideas about what kinds of goals members of an organization should pursue and ideas about the appropriate kinds or standards of behavior organizational members should use to achieve these goals. From organizational values develop organizational norms, guidelines or expectations that prescribe appropriate kinds of behavior by employees in particular situations and control the behavior of organizational members towards one another". It is widely recognized that different organizations have distinctive cultures. A commonly used definition of organizational culture is 'the way we see and do things around here'. Through tradition, history and structure, organizations build up their own culture. Culture therefore gives an organization a sense of identity - 'who we are', 'what we stand for', 'what we do'. It determines, through the organization's legends, rituals, beliefs, meanings, values, norms and language, the way in which 'things are done around here'. For example, computer technicians will have expertise, language and behaviors gained independently of the organization, but their presence can influence the culture of the organization as a whole.

Strong/weak cultures

Strong culture is said to exist where staff respond to stimulus because of their alignment to organizational values.

Conversely, there is weak culture where there is little alignment with organizational values and control must be exercised through extensive procedures and bureaucracy. A number of organizational culture types have been identified by researchers.

- **A power culture** is one based on the dominance of one or a small number of individuals within an organization. They make the key decisions for the organization. This sort of power culture may exist in a small business or part of a larger business.
- **A role culture** exists in large hierarchical organizations in which individuals have clear roles (jobs) to perform which are closely specified. Individuals tend to work closely to their job description, and tend to follow the rules rather than to operate in a creative way.
- In contrast **task cultures** exist when teams are formed to complete particular tasks. A distinct team culture develops, and because the team is empowered to make decisions, task cultures can be creative.

- **A person culture** is the most individualistic form of culture and exists when individuals are fully allowed to express themselves and make decisions for them. A person culture can only exist in a very loose form of organization e.g. an overseas sales person working on their own for a company, allowed to make their own decisions.
- Culture change involves moving an organization on from one form of culture to another, usually through a culture change program.

Organizational Culture Aspects The impact of culture is very important when it comes to attempting and achieving personal goals and business goals. Organizational cultures are the characteristics that are based on morals, values, traditions and personnel behavior.

Overview of Banking Industry

India has 157 banks—26 public sector banks, 43 foreign banks, 64 regional rural banks, 13 old private sector banks, seven new private sector banks and four local area banks. It is thus quite understandable that the Reserve Bank of India (RBI) has been criticized for being unnecessarily parsimonious when it gave just two licences last week to set up new banks. These two new banks will be a drop in the ocean. They will neither significantly add to banking capacity in India nor will their presence change the competitive dynamics of the banking industry. The massive expansion of Indian banking after 1969, which saw the first wave of bank nationalization, has still left around half the Indian population outside the formal financial system. There has been a lot of heated debate around the world about too much financial expansion. India is not yet at that stage if one goes by the standard measures of financial deepening. During this period, the nationalized banks operated with a view to give access to as many people as possible to organized banking. Bank policies were directed towards the social objectives of employment generation and employee welfare and, HRD performed merely an administrative and regulatory role. In the last few years, banking as a function, has come full circle. The prime mover for banks today is profit, with clear indications from the government – 'perform or perish'. This change is a result of the banking reforms Namely the Narsimham committee recommendations [9], liberalization and opening up of the economy in nineties and the government's decision to privatize the banks by reduction in state ownership.

The literature has been reviewed with the objective of gaining some insight on the two variables of this study namely; organization culture and employees' satisfaction and their inter-relationship in banking industry.

Impact of organization culture on employee's satisfaction

Throughout the history of organisational and behavioural research, the subject of employee satisfaction has always attracted widespread empirical examination, leading to a number of interesting definitions. Price (2001) defines employee satisfaction as the effective orientation that an employee has towards his or her work. It may also be recognised as the individual's perception and evaluation of the overall work environment (Sempane, Rieger & Roodt, 2002). Lu, While and Barriball (2005) define employee satisfaction as a global feeling about one's work or a related cluster of attitudes about various facets of the work environment. Employee satisfaction may also be perceived as a 'positive emotional state resulting from the appraisal of one's job or job experiences' (Islam & Siengthai, 2009:4). A common aspect that connects these definitions is that employee satisfaction is concerned with what people in an organisation feel about their overall work. A study conducted by Ellickson and Logsdon (2001) gives emphasis to environmental factors and personal characteristics as the two most influential variables that determine the level of employee satisfaction. Lambert, Edwards and Cabic (2003) also found low employee satisfaction levels amongst employees whose expectations fell short. Ganguly (2010) maintains that the person-environment fit paradigm has been widely recognised as the most appropriate explanation for employee satisfaction. Additionally, other researchers uphold that employee satisfaction is influenced by the interaction of a family of factors such as recognition, communication, co-workers, fringe benefits, working conditions, the nature of the work itself, the nature of the organisation itself, organisational systems, policies and procedures, compensation, personal development, promotion, appreciation, security, and supervision (Ilies, Wilson & Wagner, 2009; Irving & Montes, 2009; Koonmee, Singhapakdi, Virakul & Lee, 2010). For most management scientists, meeting the needs of employees remains the prime employee satisfaction-enhancement strategy (Giannikis & Mihail, 2011). However, contemporary research advances have challenged this view, which attests to the multi-factorial character of employee satisfaction.

In order to improve employee satisfaction, it is important to measure and establish the existing levels first (Wright, Gardner, Moynihan & Allen, 2005). However, due to its multi-faceted nature, the measurement of employee satisfaction varies from one organisation to the other. Some organisations use anonymous employee satisfaction surveys which are administered periodically to measure the levels of employee satisfaction (Deshpande, Arekar,

Sharma & Somaiya, 2012). In other organisations, meetings are held between management and small groups of employees where the latter are asked questions pertaining to their satisfaction (Ybema, Smulders & Bongers, 2010). However, in other organisations, exit interviews are the primary employee satisfaction measurement tools (Schulz, 2001). The importance of these methods lies in that they elicit satisfaction sentiments from employees themselves (Schneider, Hanges, Smith & Salvaggio, 2003). Employee satisfaction has thus been widely recognised as a predictor of productivity and performance in organisations (Dawal, Taha & Ismail, 2009; Silvestro, 2002).

In Banking Technology (IRDBT), Hyderabad. In the context of the changing economic and business environment, there is a realization that a rigid and hierarchical structure, which gives preference to seniority over performance, is not the best environment for attracting and retaining the best talent or the best output from professionals. Accordingly, there is a critical need to review and improve strategies for recruitment, placement, career development and performance management. (XIV Human Resource Development & Organization matters – Reserve Bank of India Annual Report 30/08/2002) Most banks are used to functioning in a rigid hierarchical structure. This was the product of a perfect pyramid where the approach was clearly top-down. All the powers of policy and decision making rested with the top echelons of hierarchy with employees at the lower end of hierarchy following orders handed down to them. There was no scope of questioning the decision of authority and whatever was given, was accepted as the final implementation variable.

Review of Literature

1. Agarawal Babita , Mishra.DP, (2012), The purpose of this study is to find out the impact of the HRD culture on managerial effectiveness and also to assess the employee's capabilities in adopting the changing markets forces and dynamics environment. The finding shows that HRD culture is very vital in managerial effectiveness. The eight HRD values give a sense of direction to HRD function.[1]

2. Hassan Fhaqir Sajjad Ui, Shah Bhadar, Khan Ahmed, (2011), This study aims to extend cross culture in examining the potential influence of organizational culture on organizational effectiveness in the context of higher education institution. Two traits i.e. clan and adhocracy showed significant positive relationships to organization effectiveness. Organizational culture which is sometimes referred to as corporate culture and its relation to organization effectiveness has magnetized a great deal of consideration from researchers around the world.[2]

3. Olu Oju (2009), This study aims to look at the impact of corporate culture on employees' job performance with the evidence from Nigerian bank industry. The finding of this study shows that Culture of the organization is "Normative Glue" that holds organization together. Healthy organization culture improves economic performance and organization viability.[3]

4. Tydskrif SA Vir Bedry Feielkunde (2007),The aim of the study was to establish the nature of the relationship between organizational culture and financial performance. The result of studies indicate that Culture sets the boundaries by providing employees with a set of standard rules to regulate certain aspect of their behavior which gives rise to attribute, motivation, communication, leadership style, that contributes to the effectiveness, productivity, efficacy, excellence of organization. The validity and reliability of financial performance of the organization is based on culture traits that were team orientation, customer focus, core values and vision.[4]

5. G.S Anju, Raju J. K (2013),The literature survey reported in this paper disclosed the areas concentrated in the banking sector and also help to identify the unoccupied part and regions in the various practices of HRM. Influence of leadership style increase effectiveness of working of organization, which contributes to the solving the staffing problems and improve the relationship between leaders and the staff, also increase the productivity of organization.[5]

6.Khan M.L, Pyngavil Rajesh S(2012), The study has been undertaken with view to examine effective team building, organization culture and climate of SBI and ICICI bank and also to determine the relationship between them. Thus study attempt to develop and sustain motivational level, and commitment to job, role of rewards, organize training and other significant programs is deeply essential for better climate and culture results into higher productivity. A good management team with a visionary leader can help to build empires out of organizations.[6]

7. Dyck Cathy Van and Frese Michael (2005),In this article, basically error reflects the negative consequences i.e. loss of time, faulty products as well as positive ones is all about learning, innovation etc. Thus result are consistent emphasized the importance of free flowing communication, rewarding, the reporting error and a continuous reflexive and interactive learning approach in enhancing the success and safety in high-reliability. The result suggests the organization may want to introduce organizational positive error management as a way to boost firm performance.[7]

8. Emerly Charles R, Summers Timothy P.J (1996), This article explores the effects of several aspects of organization climate on TQM applications. Researcher have most commonly attribute the failure of TQM programs will be successful if climate is modified and managed to elicit employees commitment and satisfaction consistent with value of TQM. These aspects of climate can be measured through employee perceptions of an organizations, supervision, goals, and objectives, communication, interdepartmental cooperation, training and development programs, reward system, employee commitment, respect of employees and usage of employee skills.[8]

9. Fakhare Shahzad, Luqman Rana Adeel,(2012), The objective of this article is to demonstrate, conceptualization, measurement, and examine and various concept on organization culture and performance. It was found that organizational culture has deep impact on the variety of organization process, employees and its performance. Research shows that if employees are committed and having the same norms and value as per organization can increase the performance towards achieving the overall organizational goals.[9]

10. Bhatt Prachi (2012), the study covers relevant and broader HR perspective and HRM practices and context of change. HRM practices in organization can make cooperative

environment and effective development opportunities, grievance handling, open communication, individual goals and societal goals. Change in HRM philosophies and HRM practices stimulate high performance in banking sector organization.[11]

11.Aluk M.A.O (2003), this article determines the relationship between culture and performance in textile firms in which a culture gives environment to influence organizational performance and efficacy. The study showed that there was a vital positive relationship between organizational performance and culture, nature of the economy and policy of government, the availability of the public utilities most especially electricity all resources have significant impact on organization performance.[12]

12.Quratul- Ain Manzoor (2012), the study focuses on the practice and observance of the two central factors, empowerment and employees recognition for enhancing employee motivation which leads to organizational effectiveness. It is concluded from the study that the organization has increased, moral and motivation for enhancing work culture also appreciating the employees for their work done and giving them participation in decision making, internally satisfies them with their job, in the organization and organizational environment.[13]

13.Rasool Shaid ,Kyani Asif Ayub (2012), This study was conducted to inspect the relationship between Organization culture salience and how organizational culture affects the employee's career salience. Every individual possessed different socio-psychological characteristics which affects the career salience. These characteristics individual personality, attitude, values, self esteem and interest which gives greater importance to their career obtain more satisfaction from what they do. The uniqueness of this study considered that organizational culture effects on employees career.[14]

NEED TO STUDY

1. In all kinds of fields and sector national or international where diverse n cross culture people are working together it is need to improve the organization culture, policies, norms, strategy, for better HRD culture which is vital in managerial effectiveness.

2. Organizational culture has deep impact on the variety of organization process, employees and its performance. if employees are committed and having the same norms and value as per organization can increase the performance towards achieving the overall organizational goals.

3. Climate provide the necessary framework or atmosphere within which the learning process is nurtured, enabling TQM to take hold, flourished and feed upon itself. These aspects of climate can be measured through employee perceptions of an organizations, supervision, goals, and objectives, communication, interdepartmental cooperation, training and development programs, reward system, employee commitment, respect of employees and usage of employee skills.

4. Organization development is concerned with the analysis and diagnosis of the factor that determines organizational goals and effectiveness. Culture of organization is “Normative Glue” that holds organization together. Healthy organization culture improves economic performance and organization viability. Corporate culture is very important in every organization and that it has positive impact of employees.

Research Gap

There is wide gap and lacuna was found due to weak organization culture which impacts the performance of employee into dissatisfaction. It's a serious concern for employee dissatisfaction, present globalised organization where cross culture and diverse people are working together. A gap of Organizational Culture policy, norms, strategy all need to be improved so to get better HRD culture which is a vital in *managerial effectiveness*. For improving organization culture business must step outside their traditional role and comfort zone to look at new ways of working. They have to create an environment where people enjoy what they do, feel like they have a purpose, have pride what they do and can reach their potential.

The use of the eight HRD values Openness, Confrontation, Trust, Authentic, Proactive, Autonomy, Collaboration and Experimentation instrument for judging organization culture which gives a sense of direction to HRD function the outcome of HRD includes competent people, well developed, high commitment, high job satisfaction, team work and synergy, problem solving which gives good organizational health and better organizational image. The eight HRD values gives a sense of direction to HRD function and convert Good organization health which results as high productivity, organization growth, diversification, cost reduction, profits and better image of the organization.

Objectives of the Study

- To examine the impact of organization culture on public and private sector banks.
- To determine the employee satisfaction in public and private sector banks
- To analyze the impact of organization culture on employee satisfaction

Hypotheses

Hypothesis 1

- H_o-.There is no significant difference in the organization culture between the two banks.
- H_1- There is a significant difference in the organization culture between the two banks.

Hypothesis 2

- H_o- There is no significant impact of organization culture on employees satisfaction between the two banks
- H_1- There is a significant impact of organization culture on employees satisfaction between the two banks.

Hypothesis 3

- H_o- There is no significant difference in employee satisfaction between the two banks
- H_1 _ There is a significant difference in employee satisfaction between the two banks.

Research Methodology

Research Design

Research refers to the systematic method consisting of enunciating the problem, formulating a hypothesis, collecting the facts or data, analyzing the facts and reaching certain conclusions either in the form of solutions towards the concerned problem or in certain generalizations for some theoretical formulation.

Research design is a blueprint, plan, structure and strategy of investigation conceived so as to obtain answers to research questions. A detailed outline of how an investigation will take place. A research design will typically include how data is to be collected, what instruments will be employed, how the instruments will be used and the intended means for analyzing data collected.

Universe:

The universe of the study consists of private and public sector banks operating in India.

Sampling Method:

This study may be survey method and quota sampling.

Sample Unit:

The banks which are selected for the purpose of study are as follows:-

1 Punjab National Bank

2 HDFC

Sampling Size:

250 employees from selected banks.

Data Collection

Both primary and secondary sources will be used to collect the data. Primary data will be collected through interview and questionnaire conducted to obtain information

Secondary information related to selected banks will be collected through web sites, journals books and magazines etc.

Analysis of Data

- Data so collected will be tabulated suitably for the purpose of the analysis.
- Likert Scaling technique will be used.
- Appropriate descriptive statistical tools like arithmetic mean, standard deviation, coefficient of variation, correlation analysis and diagrammatic presentation will be used for interpretation of data.
- Appropriate inferential statistical tools like Chi-square test, ANOVA test.

Limitations of the Study

- The sample taken for the study is restricted to a particular region.
- Bias of the respondents may effects the results of the study.
- Time is the biggest constraint

Chapterization

Chapter 1	:	Introduction
Chapter 2	:	Conceptual framework of Organisational Culture
Chapter 3	:	Organizational Culture in Indian Banking Sector
Chapter 4 satisfaction	:	Impact of organization culture on employee's
Chapter 5	:	Research Methodology i. Introduction to Research Methodology and Research Design ii. Review of Literature iii. Need of Study iv. Objectives of the Study v. Hypothesis vi. Sampling and Data Collection Methods vii. Statistical Tools for Hypothesis Testing viii. Limitations of the Study
Chapter 6	:	Data Analysis and Interpretation
Chapter 7	:	Findings,Conclusion,Suggestions& Recommendations
Chapter 8	:	Application of Research and Scope of Further Study
Bibliography		
Appendix		Questionnaire

Bibliography

1. Agarawal Babita, Mishra.D.P, (2012), ***"Analyzing the Impact of HRD culture on Managerial Effectiveness –Banking Sector"*** IES, Anvesha, Vol.5 No.4. [1]
2. Hassan Fhaqir Sajjad Ui, Shah Bhadar, Khan Ahmed (2011) ***"The role of organization culture in predicting organizational effectiveness-A case from developing countries." International Business management*** Vol.3, No.2, 2011, pp-111, ISSN 1923-8428(online).[2]
3. Olu Ojo (2009) ***"Impact Assessment of corporate culture on employee Job Performance- Nigerian banking Industry"*** Banking Intelligence Journal, vol 2 no 2. [3]
4. Tydskrif SA Vir Bedryfeielkunde (2007)***"Organizational culture and financial performance in a south African Investment Bank."SA Journal of Industrial Psychology,*** 33(1), Pp 38-48. [4]
5. G.S Anju , Raju J.K (2013) ***"Organizational Hierarchy of leadership styles and its influence on Effectiveness: A literature survey in banking sector ." International conference on technology and business management,*** Pp18 – 28. [5]
6. Gupta Dr. M.L & Pyngavil Rajesh S (2012) ***"Effective Team building In relation to organizational culture and organizational climate in banking sector: An correlation analysis." Prestige International Journal of Management and IT – Sanchayan*** ISSN: 2277- 1689.Vol.1 (1), Pp.52-66.[6]
7. Olu Oju ***"Organizational Culture and corporate Performance: Empirical evidence from Nigerian commercial bank". "Journal of Business Systems, Governance and Ethics-"*** vol 5 no 2. [7]
8. Dyck Cathy Van and Frese Michael (2005) ***"Organizational Error management culture and Its Impact on performance: A two – study Replication"*** Journal of Applied Psychology 2005, Vol.90, No.6. ISSN 1228-1240 [8]
9. Emerly, Charles R, Summers, Timothy P. J (1996) "***The role of organizational climate in the implementation of total quality Management"–***Journal of managerial issues.Winter.[9]
10. Fakhare Shahzad , Luqman Rana Adeel (2012)***"Impact of Organization culture on organization performance:*** An Overview"– Interdisciplinary Journal of Contemporary Research In Business, Vol3.No9.[10]

11. Bhatt, Prachi (2012) ***"Understanding HR and Development paradigms: Change and effectiveness, an employees' standpoint"*** – Organization Development Journal, fall.[11]
12. Aluko M.A.O. (2003) ***"The impact of culture on organizational performance in selected Textile firms in Nigeria"***. Nordic Journal of African studies 12 (2): pp164-179.[12]
13. Quratul- Ain Manzoor (2012) ***"Impact of Employees motivation on organization effectiveness". Business management & strategy.*** Vol.3.No.1. IISN 2157- 6068[13]
14. Rasool Shaid, Kiyani Asif Ayub, (2012) ***"Impact of Organizational Culture on Employees Career Salience: An empirical study in Banking sector Islamabad, Pakistan".*** Interventional Journal of Business and Social science Vol.3 No.7.[14]

Appendix:

Questionnaire:

Date..... Time.....

1. Name…….
2. Name of Bank.....
3. Phone number.....
4. Designation.....
5. Age…….
6. Work Status - Full Time ☐ Part Time ☐
7. The bank catered to all the banking needs of

Strongly Agree	**Agree**	**Neutral**	**Disagree**	**Strongly Disagree**

1.Compensation And Promotion Potential Satisfaction

Please indicate the extent to which you agree with the following statements

	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
1)My pay packages is competitive compared to other Organization in the same line of work……	☐	☐	☐	☐	☐
2) I understand how my salary is determined by organization….	☐	☐	☐	☐	☐
3) I am satisfied with the benefits my Organization extends to me……..	☐	☐	☐	☐	☐
4) My organization has a fair promotion policy…….	☐	☐	☐	☐	☐
5) Overall, I am satisfied with my salary package……	☐	☐	☐	☐	☐

2. Communication

1) The organization recognizes my input ……	☐	☐	☐	☐	☐
2) We receive feedback on issues raised by employees……	☐	☐	☐	☐	☐
3) Essential flow of information from management to low Cadres of staff…….	☐	☐	☐	☐	☐

3. Supervision

1) I am satisfied with the quality of supervision that I Received…….	☐	☐	☐	☐	☐
2)My supervisor treats me with respect…….. ……	☐	☐	☐	☐	☐
3)My supervisor assigns me challenging and motivating Work to me ……	☐	☐	☐	☐	☐
4) My supervisor gives me feedback on my job Performance…….	☐	☐	☐	☐	☐
5) I have opportunities to provide input into decision that Effect my work ……	☐	☐	☐	☐	☐

4.SafetyManagement

1) I am satisfied with the physical conditions……

2) I am satisfied with materials and equipment provided to perform my job……..

3) I feel safe and comfortable in my work environment

4) I am satisfied with the organization's culture…….

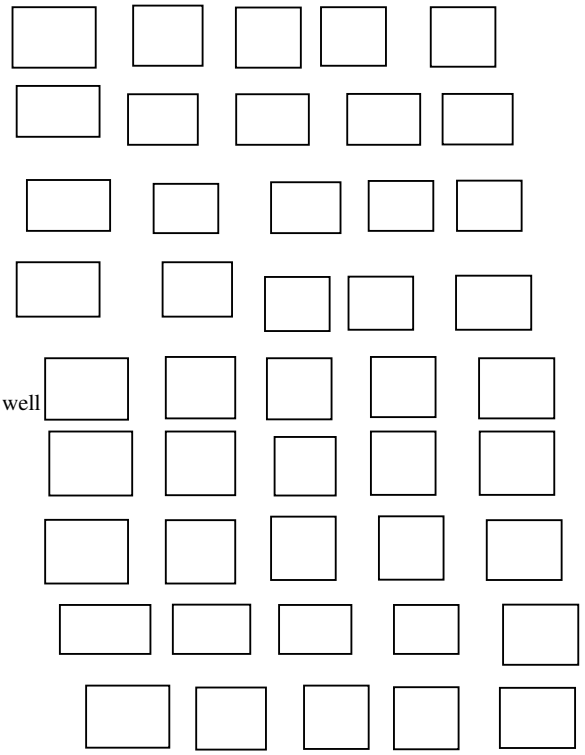
5) My organization is committed to ensuring my health and well being……

6) I am aware of risks and hazards of my work environment……

7) I am able to balance my work and my personal life……

8) I am satisfied with relationship I have with My co-workers……

9) I feel stressed at my work environment……



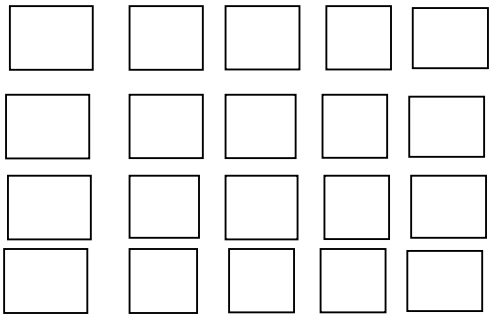
5. Work Place Policies

1) I am treated well on the basis of my gender……

2)I am treated fairly on the basis of my disability…..

3)I am well informed on the changes of alcohol, Substances and abuse…….

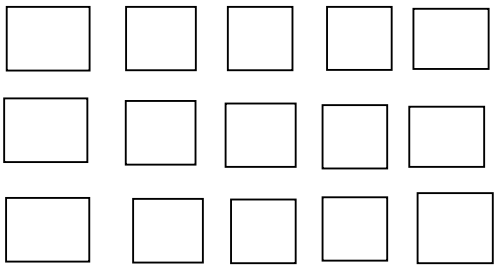
4) I am well educated on the dangers of HIV/AIDS …



6. Job Satisfaction

1)I know what is expected of me in my job……..

2)I have opportunity for career growth within the Organization ……



3)My job is a good fit with my skill/qualification…..

7. Training and Development

1)My organization is fair in selection of employees for Training and development oppourunities……..

2)My organization support my work-related training and Development…….

3)Overall, I am satisfied with the opportunities for Training and continual…….

8. Suggestions

What areas would you like CUC to improve on?

1…….....

2……

..

3……

….

4……

...

5……

….